

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Milwaukee Water Works, Milwaukee County, Wisconsin,  
for Authority to Increase Water Rates

3720-WR-108

**SECOND AFFIDAVIT OF VERIFICATION OF CARRIE LEWIS**

STATE OF WISCONSIN     )  
  )ss.  
MILWAUKEE COUNTY     )

I, Carrie Lewis, being first duly sworn, state as follows:

1. My name is Carrie Lewis. My business address is 841 North Broadway, Room 409, Milwaukee, WI 53202. I am the Superintendent of the Milwaukee Water Works ("MWW").

2. I wish to sponsor proposed Ex.-MWW-Lewis-28, filed with this affidavit, which presents MWW's revised proposal to use debt financing for its water main replacement program. MWW worked in cooperation with the City of Milwaukee Budget Office to develop this six-year funding plan.

3. In this proceeding, MWW proposed to increase its rate of main replacements to 15 miles per year based on cash funding. (Surrebuttal-MWW-Lewis-9; Ex.-MWW-Lewis-21). MWW submitted its most recent six-year plan, showing \$95.5 million in main replacements in the upcoming six years. (Ex.-MWW-Lewis-21). In its Water Main Replacement Report, MWW identified that it costs approximately \$1 million to replace one mile of main. (Ex.-MWW-Lewis-12).

4. After the hearing in this proceeding, MWW received main replacement bid prices approximately 30% higher than estimates used in Exs.-MWW-Lewis-12 and 21. Reasons given

for these price increases include, among others, major construction projects under way, for example the Zoo Interchange freeway construction project and the construction of the Amazon.com, Inc. facility along 1-94 in Kenosha; increases in ductile iron pipe costs; increased fuel prices; and scarce trucking services.

5. The increased bid results make clear that additional funding will be required to meet MWW's proposed main replacement program.

6. Proposed Ex.-MWW-Lewis-28 assumes main replacement costs of \$1.3 million per mile, a 30% higher cost per mile than estimates previously used in analyses provided in this proceeding. (Exs.-MWW-Lewis-12 and 21).

7. MWW proposes a revised main replacement program set forth in proposed Ex-MWW-Lewis-28. Under this proposed program, MWW would employ debt financing.

8. MWW proposes to increase its main replacement program to 20 miles by 2020, as shown in Ex.-MWW-Lewis-28.


4. All of the information provided in proposed Ex.-MWW-Lewis-28 is complete, correct, and truthful.

Further the Affiant says not.

Dated this 13 day of August, 2014.

  
CARRIE LEWIS

Subscribed and sworn to before me  
this 13<sup>th</sup> day of August, 2014.

  
Notary Public, State of Wisconsin  
My commission is permanent.  
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